# ASHLEY PLACE LIMITED PARTNERSHIP

# AUDITED FINANCIAL STATEMENTS

**DECEMBER 31, 2009 AND 2008** 

Under provisions of state law, this report is a public document. Acopy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/1/0

# ASHLEY PLACE LIMITED PARTNERSHIP

# **AUDITED FINANCIAL STATEMENTS**

# AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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# CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA CHARLES R. MARCHBANKS, JR., CPA

#### INDEPENDENT AUDITORS' REPORT

To the Partners
Ashley Place Limited Partnership
Denham Springs, Louisiana

We have audited the accompanying balance sheets of Ashley Place Limited Partnership (the Partnership) as of December 31, 2009 and 2008 and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ashley Place Limited Partnership as of December 31, 2009 and 2008 and the results of its operations, changes in partners' equity (deficit), and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2010, on our consideration of Ashley Place Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented in the Schedule of Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information in the Schedule of Expenses for the years ended December 31, 2009 and 2008 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Monroe, Louisiana

Little + Association LTC

March 19, 2010

# ASHLEY PLACE LIMITED PARTNERSHIP BALANCE SHEETS DECEMBER 31,

# **ASSETS**

	2009	2008
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,411	\$ 12,869
Accounts Receivable - Tenants	1,898	1,329
Total Current Assets	4,309	14,198
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement Reserve	22,620	-
Operating Reserve	115,800	11 <b>5,800</b>
Insurance Escrow	2,618	16,260
Tenants' Security Deposits	14,367	21,900
Total Restricted Deposits and Funded Reserves	155,405	153,960
PROPERTY AND EQUIPMENT		
Buildings	3,593,681	3,593,681
Furniture and Equipment	129,121	129,121
Site Improvements	541,104	541,104
Total	4,263,906	4,263,906
Less: Accumulated Depreciation	(465,150)	(335,341)
Net Depreciable Assets	3,798,756	3,928,565
Land	164,846	164,846
Total Property and Equipment	3,963,602	4,093,411
OTHER ASSETS		
Tax Credit Costs, Net of Accumulated Amortization	15,339	17,761
Perm Loan Fees, Net of Accumulated Amortization	44,874	47,865
Syndication Costs	22,000	22,000
Total Other Assets	82,213	87,626
Total Assets	\$ 4,205,529	\$ 4,349,195

The accompanying notes are an integral part of these financial statements.

# ASHLEY PLACE LIMITED PARTNERSHIP BALANCE SHEETS DECEMBER 31,

# LIABILITIES AND PARTNERS' EQUITY (DEFICIT)

	2009	2008
CURRENT LIABILITIES		
Deferred Revenue	\$ 1,402	\$ 633
Development Costs Payable	38,922	38,922
Current Portion of Long-Term Debt	22,729	20,635
Total Current Liabilities	63,053	60,190
DEPOSITS		
Tenant Security Deposits	18,635	21,900
Total Deposits	18,635	21,900
LONG-TERM LIABILITIES		
Developer Fee Payable	214,310	214,310
Note Payable - Long Term	1,302,093	1,331,169
Asset Management Fee Payable	9,181	6,060
Partnership Management Fee Payable	33,664	22,220
Special Services Fee Payable	21,423	14,140
Total Long-Term Liabilities	1,580,671	1,587,899
Total Liabilities	1,662,359	1,669,989
PARTNERS' EQUITY (DEFICIT)		
Partners' Equity (Deficit)	2,543,170	2,679,206
Total Partners' Equity (Deficit)	2,543,170	2,679,206
Total Liabilities and Partners' Equity (Deficit)	\$ 4,205,529	\$ 4,349,195

The accompanying notes are an integral part of these financial statements.

# ASHLEY PLACE LIMITED PARTNERSHIP STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31,

	2009	
REVENUE		
Tenants' Rental Income	\$ 239,621	\$ 254,479
Late Fees	2,804	2,307
Application Fees	910	<b>98</b> 5
Forfeited Deposits	3,730	6,313
Damages	-	1,938
Miscellaneous Income	136	696
Total Revenue	247,201	266,718
EXPENSES		
Maintenance and Repairs	33,654	27,334
Utilities	24,213	20,559
Administrative	15,432	62,373
Management Fees	14,850	15,318
Taxes	1,560	3,138
Insurance	32,012	33,821
Interest	104,446	135,341
Depreciation and Amortization	135,222	135,222
Total Expenses	361,389	433,106
Loss From Rental Operations	(114,188)	(166,388)
MORTGAGOR ENTITY EXPENSES		
Organization Costs	<del></del>	233
Asset Management Fees	3,121	3,060
Partnership Management Fees	11,444	11,220
Special Services Fees	7,283	14,140
Total Mortgagor Entity Expenses	21,848	28,653
Net Income (Loss)	\$ (136,036)	\$ (195,041)

The accompanying notes are an integral part of these financial statements.

ASHLEY PLACE LIMITED PARTNERSHIP STATEMENTS OF PARTNERS' EQUITY (DEFICIT) FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NEF Assignment Corporation	\$ 1,683,015	1,191,270	(195,021)	2,679,264	(136,022)	\$ 2,543,242	%66.66
Denham Springs Community Corporation	(38)	,	(20)	(58)	(14)	(72)	0.01%
C C C	<b>∽</b>				}	es	
Total	\$ 1,682,977	1,191,270	(195,041)	2,679,206	(136,036)	\$ 2,543,170	100.00%
	Partner's Equity (Deficit), January 1, 2008	Contributions	Net Income (Loss)	Partner's Equity (Deficit), December 31, 2008	Net Income (Loss)	Partner's Equity (Deficit), December 31, 2009	Profit and Loss Percentages

The accompanying notes are an integral part of these financial statements.

# ASHLEY PLACE LIMITED PARTNERSHIP STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		· · · · · · · · · · · · · · · · · · ·
Net Loss	\$ (136,036)	\$ (195,041)
Adjustments to Reconcile Net Loss to Net Cash	· · · · · · · · · · · · · · · · · · ·	
Provided (Used) by Operating Activities:		
Depreciation and Amortization	135,222	135,222
(Increase) Decrease in Accounts Receivable - Tenants	(569)	521
(Increase) Decrease in Insurance Escrow	13,642	(5,030)
Increase (Decrease) in Accounts Payable	•	(78)
Increase (Decrease) in Asset Management Fee Payable	3,121	3,060
Increase (Decrease) in Deferred Revenue	769	633
Increase (Decrease) in Partnership Management Fee Payable	11,444	11,220
Increase (Decrease) in Special Services Fees Payable	7,283	14,140
Net Change in Security Deposits	4,268	75
Total Adjustments	175,180	159,763
Net Cash Provided (Used) by Operating Activities	39,144	(35,278)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposits to Operating Reserve	-	(115,800)
Deposits to Replacement Reserve	(22,620)	-
Net Cash Provided (Used) by Investing Activities	(22,620)	(115,800)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of Construction Loan	_	(2,323,678)
Proceeds from Issuance of Long-Term Debt		1,362,787
Principal Payments on Long-Term Debt	(26,982)	(10,983)
Payment of Perm Loan Fees		(35,857)
Payment of Development Costs Payable	-	(8,500)
Payments of Developer Fees Payable	_	(15,690)
Capital Contributions Received from Investor Limited Partner	•	1,191,270
Net Cash Provided (Used) by Financing Activities	(26,982)	159,349
Net Increase (Decrease) in Cash and Cash Equivalents	(10,458)	8,271
Cash and Cash Equivalents, Beginning of Year	12,869	4,598
Cash and Cash Equivalents, End of Year	\$ 2,411	\$ 12,869

# ASHLEY PLACE LIMITED PARTNERSHIP STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	2009	2008
Supplemental Disclosures of Cash Flow Information: Cash paid During the Year for:		
Interest	\$ 104,446	\$ 135,341

#### NOTE A - ORGANIZATION

Ashley Place Limited Partnership (the Partnership) was formed as a limited partnership under the laws of the state of Louisiana on April 30, 2004, for the purpose of constructing and operating a rental housing project. The project consists of 36 single-family rental units, located in Denham Springs, Louisiana, and is currently operating under the name of Ashley Place Apartments.

The project is eligible for Low-Income Housing Tax Credits established under the program described in Section 42 of the Internal Revenue Code (low-income housing tax credit) which regulates the use of the apartment complex as to occupant eligibility and unit gross rent, among other requirements. The major activities and operations of the Partnership are governed by the Amended and Restated Partnership Agreement (the Partnership Agreement) and are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. Such administrative directives, rules, and regulations are subject to change by federal and state agencies.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Partnership's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

#### Basis of Accounting

The financial statements of the Partnership are prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

#### Capitalization and Depreciation

Land, buildings, improvements, and equipment are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful lives.

#### Tenants' Security Deposits

Tenant's security deposits are held in a separate bank account in the name of the project. At December 31, 2009, this account was funded in an amount less than the security deposit liability.

#### Rental Income and Deferred Rents

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tenant Receivable and Bad Debt Policy

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move out are charged with damages or cleaning fees, if applicable. Tenant receivable consists of amounts due for rental income, other tenant charges and charges for damages and cleaning fees in excess of forfeited security deposits. The Partnership does not accrue interest on the tenant receivable balances.

The Partnership uses the direct write-off method to provide for uncollectible accounts. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

#### Amortization

Permanent loan financing costs are amortized using the straight-line method over the life of the loan. Tax credit costs have been capitalized and are being amortized over the tax credit period. These costs are presented in the Balance Sheet net of accumulated amortization. Accumulated amortization totaled \$14,863 and \$9,450 as of December 31, 2009 and 2008, respectively.

#### Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reported by, the partners individually.

#### **Estimates**

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Collateralization Policy

The Partnership does not require collateral to support financial instruments subject to credit risk.

#### SFAS No. 144

Statement of Financial Accounting Standards (SFAS) No. 144 requires that long-lived assets and certain identifiable intangibles held and used by an entity for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of SFAS No. 144 has not materially affected the partnership's reported earnings, financial condition or cash flows

# NOTE C - CASH AND CASH EQUIVALENTS AND BANK DEPOSITS

For purposes of the statements of cash flows, cash and cash equivalents represent unrestricted cash and all highly liquid and unrestricted debt instruments purchased with a maturity of three months or less.

The Partnership maintains its cash in bank deposit accounts at various financial institutions. The deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000, in total at each financial institution. The deposits were fully secured as of December 31, 2009 and 2008.

#### NOTE D - PARTNERS' CAPITAL CONTRIBUTIONS

The Partnership has one Managing General Partner, Denham Springs Community Corporation and one Limited Partner, NEF Assignment Corporation. The Partnership records capital contributions as received. For the year ended December 31, 2009, the Limited Partner did not make a capital contribution; however, total contributions received as of December 31, 2009, totaled \$3,254,176. As of December 31, 2009, \$70,000 remains to be contributed by the Limited Partner.

NOTE E - DEBT

#### Construction Loan

Construction financing for the development of the project was acquired through First Guaranty Bank of Ponchatoula, Louisiana in the principal sum of up to \$2,330,000. On January 29, 2008, the construction loan was converted to a permanent loan.

#### Permanent Loan

Permanent financing has been obtained through First Guaranty Bank of Ponchatoula, Louisiana in the amount of \$1,362,787. Interest is computed using the Wall Street Journal Prime plus 1.50% adjusted every five years, starting at 7.50% per annum, with a floor of 7.50% per annum, and a ceiling of 9.00% per annum. The maximum interest rate change every five years is 1.00%. The payment amount is set at principal and interest payments of \$10,110 monthly and remain the same for the life of the loan. The permanent loan is collateralized primarily by the Partnership's real estate and improvements thereon. The permanent loan shall have a term of 17 years with an amortization of 30 years and matures on January 29, 2025, at which time all unpaid principal and interest amounts are due and payable. As of December 31, 2009, the balance due on the loan was \$1,324,822.

NOTE E - DEBT (CONTINUED)

Permanent Loan (Continued)

Aggregate maturities of long-term debt for the next five years and thereafter are as follows:

Year Ending		
December 31,	 Amount	
2010	\$ 22,729	
2011	\$ 24,494	
2012	\$ 26,395	
2013	\$ 28,444	
2014	\$ 30,653	
Thereafter	\$ 1,192,107	

#### NOTE F - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Transactions with related parties are as follows:

#### Development Fee

As provided in the Development Services Agreement, the Partnership shall pay the Developer Fee in the amount of \$515,000 to Denham Springs Housing Authority, an affiliate of the General Partner, and Denham Springs Community Development Corporation, the General Partner, for services rendered for overseeing the construction and development of the complex. As of December 31, 2009 and 2008, the Partnership owed \$214,310 for both years in developer fees.

### Partnership Management Fee

The Partnership shall pay to the General Partner a Partnership Management Fee annually in the amount of \$11,000, to be increased annually by 2% to compensate the General Partner for managing the Partnership's operations and assets and coordinating the preparation of the required State Housing Finance Agency, federal, state, and local tax and other required filings and financial reports. For the years ended December 31, 2009 and 2008, the Partnership incurred Partnership Management Fees totaling \$11,444 and \$11,220, respectively. As of December 31, 2009 and 2008, Partnership Management Fees payable totaled \$33,664 and \$22,220, respectively.

# Asset Management Fee

The Partnership shall pay the Asset Management Fee annually to the Asset Manager, an affiliate of the Limited Partner, for property management oversight, tax credit compliance monitoring, and related services in the amount of \$3,000, to be increased annually by 2.0%. The Asset Manager will not incur any liability to the General Partner or the Partnership as a result of the Asset Manager's performance of or failure to perform its asset management services. The Asset Manager owes no duty to the General Partner or the Partnership and may only be terminated by the Limited Partner. For the years ended December 31, 2009 and 2008, the Partnership incurred Asset Management Fees totaling \$3,121 and \$3,060, respectively. As of December 31, 2009 and 2008, Asset Management Fees payable totaled \$9,181 and \$6,060, respectively.

#### NOTE F - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES (CONTINUED)

#### Special Services Fee

The Partnership shall pay the Services Manager (Ashley Residential Services, Inc.) a Services Fee in the amount of \$7,000, increasing by 2.0% annually and in the priority specified in §5.1(a)(viii) of the Partnership Agreement for the provision of services to tenants of the Project. For the years ended December 31, 2009 and 2008, the Partnership incurred Special Service Fees totaling \$7,283 and \$14,140, respectively. As of December 31, 2009 and 2008, Special Service Fees payable totaled \$21,423 and \$14,140, respectively.

## Operating Deficit Guarantee

The General Partner shall be obligated to provide any funds needed by the Partnership, after all funds in the Operating Reserve Account have been used, to fund Operating Deficits during the Operating Deficits Guaranty Period. The General Partner shall be required, upon the reduction of the Operating Reserves Account to zero, to promptly provide funds to the Partnership in an amount up to \$105,000 for Operating Deficits occurring during the Operating Deficits Guaranty Period. Such costs shall include all operating and fixed costs accrued or accruable during the Operating Deficits Guaranty Period. Repayments of any borrowings arranged by the General Partner to fulfill its obligations shall be the sole obligation of the General Partner. Funds made available by the General Partner to fulfill its obligations may be reimbursed, without interest, or out of the proceeds of refinancing or sale pursuant to §5.2 of the Partnership Agreement. No operating deficit existed as of December 31, 2009 and 2008.

### Disposition Fee

The Partnership shall pay the Asset Manager a Disposition Fee equal to 1% of the gross sales price out of the net sales proceeds at the time of closing of the sale of the Project or the Limited Partner's interest in the Project. As of December 31, 2009 and 2008, no Disposition Fee has been earned or paid.

#### NOTE G - PARTNERSHIP PROFITS AND LOSSES AND DISTRIBUTIONS

All profits and losses are allocated .01% to the General Partner, and 99.99% to the Limited Partner.

Distribution of Operating Income and Cash Flow is applied in accordance with the order of priority established in Article 5.1 of the Partnership Agreement.

#### NOTE H - RESTRICTED ESCROW DEPOSITS AND RESERVES

According to the Partnership Agreement, the Partnership is required to maintain the operating reserve, replacement reserve, and the Special Purpose Reserve.

## NOTE H - RESTRICTED ESCROW DEPOSITS AND RESERVES (CONTINUED)

# Operating Reserve

The General Partner shall establish the Operating Reserve Account and fund it with the Operating Reserve Target Amount of \$105,000 from loan and/or equity proceeds at the time of payment of the Fourth Installment of the Limited Partner Capital Contribution. The Operating Reserve Target amount may, upon request of the General Partner be reduced to \$40,000 after the Project has maintained a Debt Service Coverage Ratio of 1.15 or better for four consecutive years and is in compliance with all if its obligations within the Partnership Agreement. The Fiscal Partner shall be obligated, to the extent that funds are available, to replenish the Operating Reserve Account up to the Operating Reserve Target Amount out of cash flow or proceeds of sales or refinancing in accordance with §5.1 and §5.2 of the Partnership Agreement. As of December 31, 2009, the Operating Reserve Account was funded in the amount of \$115,800.

#### Special Purpose Reserve

The General Partner shall establish a Special Purpose Reserve for real estate taxes out of loan and/or equity proceeds at the time of payment of the Fourth Installment. The Special Purpose Reserve shall be increased through Project Cash Flow until it reaches the Special Purpose Reserve Target Amount of \$28,800. Such funds will be held in a Special Purpose Reserve Account and administered by the General Partner pursuant to a Funding and Disbursement Agreement entered into by the Partnership, the Limited Partner and the General Partnership. As of December 31, 2009, the Special Purpose Reserve Account had not been funded.

#### Replacement Reserve

The General Partner shall establish the Replacement Reserve Account out of loan and/or equity proceeds at the time of payment of the Fourth Installment of the Limited Partner Capital Contribution. The Replacement Reserve will be held in the Replacement Reserve Account, under the control of the General Partner, and the Partnership will maintain this account from the date of payment of the Fourth Installment until the end of the compliance period. Withdrawals from the Replacement Reserve Account in excess of \$5,000 in the aggregate in any given month (unless such withdrawal was provided for in the approved project budget) will require written approval of the General Partner and the Asset Manager (except in cases where the account is under the control of one of the project lenders, in which case the General Partner shall notify the Asset Manager in writing of any withdrawals from the Replacement Reserve Account and the purpose for which such withdrawal was made). Within five business days of receipt by the Asset Manager of such requests, the Asset Manger shall notify the General Partner whether the request has been approved, disapproved, or whether additional information is needed to evaluate the request. If the Asset Manager does not respond within five business days, the withdrawal request is deemed to be approved. The required amount of Replacement Reserve funding is equal to not less than \$300 per unit per year increasing at a rate equal to 3% per year. As of December 31, 2009, the Replacement Reserve Account was funded in the amount of \$22,620.

## **NOTE I- CONTINGENCY**

The apartment complex's low-income housing tax credits are contingent on the ability of the Partnership to maintain compliance with Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken credits plus interest.

#### NOTE J - ADVERTISING

The Partnership had advertising expenses of \$-0- and \$1,133 in 2009 and 2008, respectively. These costs are expensed as incurred.

#### NOTE K - TAXABLE INCOME (LOSS)

A reconciliation of financial statement net loss to taxable loss of the Partnership for the years ended December 31, 2009 and 2008 are as follows:

	2009	2008
Financial Statement Net Loss	\$ (136,036)	\$ (195,041)
Adjustments:		
Excess Depreciation for Income Tax Purposes Over Financial Reporting Purposes	36,213	28,942
Other	-	2
Taxable Loss Shown on Tax Return	\$ (99,823)	\$ (166,097)

## NOTE L - SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through March 19, 2010, the date which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

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# ASHLEY PLACE LIMITED PARTNERSHIP SCHEDULE OF EXPENSES FOR THE YEARS ENDED DECEMBER 31,

MAINTENANCE AND REPAIRS         \$ 4,262         \$ -2.92           Salaries         \$ 4,262         \$ -3.92           Maintenance and Repairs Contract         7,386         15,399           Grounds Contracts         10,838         6,733           Services         1,921         2,910           Other Repairs and Maintenance         1,118         -           Total Maintenance and Repairs         \$ 33,654         \$ 27,334           UTILITIES           Electricity         \$ 5,982         \$ 5,881           Water and Sewer         15,758         10,070           Tash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         475         260           Advertising         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         5		2009	2008	
Supplies         8,109         2,292           Maintenance and Repairs Contract         7,386         15,399           Grounds Contracts         10,858         6,733           Services         1,921         2,910           Other Repairs and Maintenance         1,118         -           Total Maintenance and Repairs         \$ 33,654         \$ 27,334           UTILITIES           Electricity         \$ 5,982         \$ 5,881           Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Expense         2,021         -           Other Administrative         \$ 15,432         \$ 62,373           TAXES         Real Estate Taxes	MAINTENANCE AND REPAIRS			
Maintenance and Repairs Contracts         7,386         15,399           Grounds Contracts         10,858         6,733           Services         1,921         2,910           Other Repairs and Maintenance         1,118         -           Total Maintenance and Repairs         \$ 33,654         \$ 27,334           UTILITIES         Electricity         \$ 5,982         \$ 5,881           Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Expense         2,021         -           Office Expense         5         -         1,612           Bad Debts         821         896           Other Administrative         \$ 15,432         \$ 62,373	Salaries	\$ 4,262	\$ -	
Grounds Contracts         10,858         6,733           Services         1,921         2,910           Other Repairs and Maintenance         1,118         -           Total Maintenance and Repairs         \$ 33,654         \$ 27,334           UTILITIES           Electricity         \$ 5,982         \$ 5,881           Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         \$ 51,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Tax	Supplies	8,109	2,292	
Services         1,921         2,910           Other Repairs and Maintenance         1,118         -           Total Maintenance and Repairs         \$ 33,654         \$ 27,334           UTILITIES         Selectricity         \$ 5,982         \$ 5,881           Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         \$ 15,432         \$ 62,373           TAXES         Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         \$ 1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 2,95	Maintenance and Repairs Contract	7,386	15,399	
Other Repairs and Maintenance         1,118         -           Total Maintenance and Repairs         \$ 33,654         \$ 27,334           UTILITIES         Electricity         \$ 5,982         \$ 5,881           Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Wanager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         266           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ 1,560         \$ 3,138           INSURANCE         \$ 1,560         \$ 3,138           Property and Liability	Grounds Contracts	10,858	6,733	
Total Maintenance and Repairs         \$ 33,654         \$ 27,334           UTILITIES         S         \$ 5,882         \$ 5,881           Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         \$ 12,432         \$ 62,373           TAXES         Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086	Services	1 <b>,92</b> 1	2,910	
Securicity	Other Repairs and Maintenance		<del></del>	
Electricity         \$ 5,982         \$ 5,881           Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Wanager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         \$ 1,560         \$ 3,138           Payroll Taxes         \$ 1,560         \$ 3,138           INSURANCE         * 1,560         \$ 3,138           Property and Liability         \$ 29,576         \$ 30,715	Total Maintenance and Repairs	\$ 33,654	\$ 27,334	
Water and Sewer         15,758         10,070           Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Wanager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601         Legal Expenses         475         260           Advertising         -         1,133         Telephone         1,400         2,656         2,656           Bank Charges         40         1         1         00 cape of the color	UTILITIES			
Trash Collection         2,473         4,608           Total Utilities         \$ 24,213         \$ 20,559           ADMINISTRATIVE         Standard Standa	Electricity	\$ 5,982	\$ 5,881	
ADMINISTRATIVE         \$ 24,213         \$ 20,559           Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES         Real Estate Taxes         \$ -         \$ 1,034           Payrol! Taxes         \$ 1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         Interest on Mortgage         \$ 104,446         \$ 135,341<	Water and Sewer	15,758	10,070	
ADMINISTRATIVE  Manager Salaries \$ 10,101 \$ 20,815 Professional Fees - 34,601 Legal Expenses 475 260 Advertising - 1,133 Telephone 1,400 2,656 Bank Charges 40 1 Office Expense 2,021 - Office Supplies - 1,612 Bad Debts 821 886 Other Administrative 574 399 Total Administrative \$ 15,432 \$ 62,373  TAXES Real Estate Taxes \$ - \$ 1,034 Payroll Taxes 1,560 2,104 Total Taxes \$ 1,560 \$ 3,138  INSURANCE Property and Liability \$ 29,576 \$ 30,715 Workmen's Compensation 4,637 Health Insurance 2,086 1,469 Total Insurance \$ 32,012 \$ 33,821  INTEREST EXPENSE Interest on Mortgage \$ 104,446 \$ 135,341	Trash Collection	2,473	4,608	
Manager Salaries         \$ 10,101         \$ 20,815           Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         \$ 774         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE           Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         Interest on Mortgage         \$ 104,446         \$ 135,341	Total Utilities	\$ 24,213	\$ 20,559	
Professional Fees         -         34,601           Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,556           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         \$ 1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE           Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE           Interest on Mortgage         \$ 104,446         \$ 135,341	ADMINISTRATIVE			
Legal Expenses         475         260           Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE           Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE           Interest on Mortgage         \$ 104,446         \$ 135,341	Manager Salaries	\$ 10,101	\$ 20,815	
Advertising         -         1,133           Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE           Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE           Interest on Mortgage         \$ 104,446         \$ 135,341	Professional Fees	-	34,601	
Telephone         1,400         2,656           Bank Charges         40         1           Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroil Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE           Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         Interest on Mortgage         \$ 104,446         \$ 135,341	Legal Expenses	475	260	
Bank Charges       40       1         Office Expense       2,021       -         Office Supplies       -       1,612         Bad Debts       821       896         Other Administrative       574       399         Total Administrative       \$ 15,432       \$ 62,373         TAXES         Real Estate Taxes       \$ -       \$ 1,034         Payroll Taxes       1,560       2,104         Total Taxes       \$ 1,560       \$ 3,138         INSURANCE         Property and Liability       \$ 29,576       \$ 30,715         Workmen's Compensation       350       1,637         Health Insurance       2,086       1,469         Total Insurance       \$ 32,012       \$ 33,821         INTEREST EXPENSE       Interest on Mortgage       \$ 104,446       \$ 135,341	Advertising	-	1,133	
Office Expense         2,021         -           Office Supplies         -         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE           Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         Interest on Mortgage         \$ 104,446         \$ 135,341	Telephone	1,400	2,656	
Office Supplies         1,612           Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         Interest on Mortgage         \$ 104,446         \$ 135,341	Bank Charges	40	1	
Bad Debts         821         896           Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ -         \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         Interest on Mortgage         \$ 104,446         \$ 135,341	Office Expense	2,021	-	
Other Administrative         574         399           Total Administrative         \$ 15,432         \$ 62,373           TAXES           Real Estate Taxes         \$ - \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE           Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE           Interest on Mortgage         \$ 104,446         \$ 135,341	Office Supplies	•	1,612	
Total Administrative         \$ 15,432         \$ 62,373           TAXES         Real Estate Taxes         \$ 1,034           Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         Interest on Mortgage         \$ 104,446         \$ 135,341	Bad Debts	821	896	
TAXES         Real Estate Taxes       \$ - \$ 1,034         Payroll Taxes       1,560       2,104         Total Taxes       \$ 1,560       \$ 3,138         INSURANCE       Property and Liability       \$ 29,576       \$ 30,715         Workmen's Compensation       350       1,637         Health Insurance       2,086       1,469         Total Insurance       \$ 32,012       \$ 33,821         INTEREST EXPENSE         Interest on Mortgage       \$ 104,446       \$ 135,341	Other Administrative	574	399	
Real Estate Taxes       \$ 1,034         Payroll Taxes       1,560       2,104         Total Taxes       \$ 1,560       \$ 3,138         INSURANCE       Property and Liability         Property and Liability       \$ 29,576       \$ 30,715         Workmen's Compensation       350       1,637         Health Insurance       2,086       1,469         Total Insurance       \$ 32,012       \$ 33,821         INTEREST EXPENSE         Interest on Mortgage       \$ 104,446       \$ 135,341	Total Administrative	\$ 15,432	\$ 62,373	
Payroll Taxes         1,560         2,104           Total Taxes         \$ 1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE           Interest on Mortgage         \$ 104,446         \$ 135,341	TAXES			
Total Taxes         \$ 1,560         \$ 3,138           INSURANCE         Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE           Interest on Mortgage         \$ 104,446         \$ 135,341	Real Estate Taxes	\$ -	\$ 1,034	
INSURANCE         Property and Liability       \$ 29,576       \$ 30,715         Workmen's Compensation       350       1,637         Health Insurance       2,086       1,469         Total Insurance       \$ 32,012       \$ 33,821         INTEREST EXPENSE         Interest on Mortgage       \$ 104,446       \$ 135,341	Payroll Taxes		2,104	
Property and Liability         \$ 29,576         \$ 30,715           Workmen's Compensation         350         1,637           Health Insurance         2,086         1,469           Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE           Interest on Mortgage         \$ 104,446         \$ 135,341	Total Taxes	\$ 1,560	\$ 3,138	
Workmen's Compensation       350       1,637         Health Insurance       2,086       1,469         Total Insurance       \$ 32,012       \$ 33,821         INTEREST EXPENSE         Interest on Mortgage       \$ 104,446       \$ 135,341	INSURANCE			
Health Insurance       2,086       1,469         Total Insurance       \$ 32,012       \$ 33,821         INTEREST EXPENSE         Interest on Mortgage       \$ 104,446       \$ 135,341	Property and Liability	\$ 29,576	<b>\$</b> 30,715	
Total Insurance         \$ 32,012         \$ 33,821           INTEREST EXPENSE         \$ 104,446         \$ 135,341	Workmen's Compensation	350	1,637	
INTEREST EXPENSE Interest on Mortgage \$ 104,446 \$ 135,341	Health Insurance	2,086	1,469	
Interest on Mortgage \$ 104,446 \$ 135,341	Total Insurance	\$ 32,012	\$ 33,821	
Interest on Mortgage \$ 104,446 \$ 135,341	INTEREST EXPENSE			
		\$ 104,446	\$ 135,341	
		\$ 104,446	\$ 135,341	

# LITTLE & ASSOCIATES LLC CERTIFIED PUBLIC ACCOUNTANTS

Wm, TODD LITTLE, CPA CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

To the Partners
Ashley Place Limited Partnership
Denham Springs, Louisiana

We have audited the financial statements of Ashley Place Limited Partnership as of and for the year ended December 31, 2009, and have issued our report thereon dated March 19, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

# Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ashley Place Limited Partnership's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ashley Place Limited Partnership's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ashley Place Limited Partnership's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ashley Place Limited Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Partners and the management of Ashley Place Limited Partnership, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Monroe, Louisiana

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March 19, 2010